Suggested Remarks Michael J. Yates, USAID Mission Director Signing of the Solana Covenant II 9 AM to 11 AM, July 15, 2005 Office of the Ombudsman, Agham Road, Quezon City

Civil Service Commission Chairperson Karina David;

Ombudsman Simeon Marcelo;

Commission on Audit Chairman Guillermo Carague;

Anticorruption Advisor Tony Kwok;

First Secretary Roger de Backer, European Commission;

Resident Representative Kyo Naka, United Nations

Development Programme;

Ladies and Gentlemen

Good morning.

On behalf of the U.S. Agency for International Development (USAID) and the U.S. Government team working in the Philippines,

I would like to extend my congratulations to the leaders and officials of the Office of the Ombudsman, the Civil Service Commission (CSC), and the Commission on Audit (COA) for their path-breaking agreement to enhance their cooperation in their efforts to combat corruption, as embodied in today's signing of the second Solana Covenant.

As you can imagine, in my tenure with USAID, I have witnessed, on many occasions, various government agencies pledging to cooperate with one another. And without wishing to be cynical, we all recognize that making the pledge is the easy part. The real challenge is to translate these commitments into effective action. To your great credit, this is what you have managed to do with the commitments you made under the original Solana Covenant drafted in January 2004. By agreeing to areas of responsibility and very specific, practical steps to collectively combat corruption, the Office of the Ombudsman, the COA and the CSC have risen to the

challenge and moved beyond words to actions, to make a real difference.

As others already have mentioned this morning, progress is evident in several key areas. As a result of your collaborative efforts since the signing of Solana I, the Ombudsman, COA and the CSC have collectively become more effective in investigating and prosecuting corrupt officials. One clear measure of this is the rise in conviction rates and administrative sanctions. While there is still more work to be done, your successes in this area demonstrate that public corruption in the Philippines can become a high-risk and low-reward activity.

Another critical area where the Solana partners have made a difference is in preventing corruption in the first place. Through the use of Integrity Development Reviews and other corruption prevention initiatives, the Solana partners have already taken important steps to reduce the scope and opportunities for

corruption. I am pleased to learn that -- in addition to the Office of the Ombudsman and the Department of Education, which have already undergone Integrity Development Reviews -- an additional 16 government agencies have agreed to go through the review process to analyze their administrative practices and procedures for their vulnerability to corruption and to take corrective action where appropriate.

Beyond your progress on addressing the corruption problem per se, it is worth highlighting – as I have implied above – that the Solana Covenant has become a model of inter-agency anticorruption cooperation. Although each of the three partner agencies is constitutionally independent, on the issue of corruption each has courageously decided to work with, and rely on, the abilities of its partners to carry the fight forward.

I am also pleased that other international development agencies, most notably the European Commission and the United Nations

Development Programme, are supporting the second Solana

Covenant and other important anticorruption initiatives. We recognize that collaboration between donors is also important to succeed in this fight.

I want to reiterate our congratulations for taking the next step with today's signing of the second Solana Covenant and underscore USAID's and the broader U.S. Government's strong support for the very important work you are doing. In signing Solana II, the three constitutional agencies are once more demonstrating their collective commitment and strong will to eradicate the "social cancer" of corruption and the poverty and injustice that it breeds. Because of your leadership and brave example and the work of other courageous agencies, I know that this is a fight the Philippines can win.

In closing, on a personal note, I will be departing the Philippines next week for a new assignment after three wonderful years here as

USAID Mission Director. This is actually my last public event as USAID Director in the Philippines, and despite a very hectic schedule now, with so many last minute details to take care of with just a few days left in country, this is one event I really did not want to miss. I deeply appreciate this final opportunity to thank you and say that it has been a pleasure and privilege working with you all, true champions for development. I wish you all success in the future.

Thank you and good morning.